

Startups –A New Paradigm for Young Entrepreneurs

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Abstract— *Never before in the history of India, a successful initiative was taken by Government of India by announcing a campaign by Indian Prime Minister, Shri Narendra Modi at Vigyan Bhavan Auditorium in New Delhi during his speech on 15 August 2015. Even No-one would have been thought about its huge success at that moment. But now, just look at the magical moves taken by this unbelievable movement in the business world of India. Success is not the result of a single stroke. No doubt various parameters were fixed at different levels to encourage Startup journey. So many convincing factors worked diligently to ensure its success. However, it has covered a long journey of success despite of various hurdles. Not only it has been promoted in India but also it has been cherished globally. Huge population, Hidden talent in educated youth, Readiness of Investors, Technical advancement and different Government schemes like DIGITAL INDIA, STAND-UP INDIA, MAKE IN INDIA AND SWARAJ and many more pushed it enough to flourish around the world. A startup defines us to be our own boss and of course meeting the demand for employment by others that requires a lot of patience and tactics. It is a well-organized and disciplined way of using several factors like basic idea, market strategies, level of competition, and Techno-Pro attitude especially in the present scenario of entrepreneurship before putting huge steps to accomplish the journey. Different and severally important elements play an effective role in entrepreneurial success like availability of Infrastructural facilities, government rules and regulations and funds availability during various phases of growth. History shows the ups and downs of this journey by revealing various examples of its success or failure within a short span of time after mentioning the actual causes responsible for. The paper titled 'STARTUPS –A NEW PARADIGM FOR YOUNG ENTREPRENEURS' depicts the entire story of its coming into existence with the current status.*

Keywords— *Entrepreneurship, Team Work, Funding, 'Make-in-India', Infrastructural, Startup.*

I. INTRODUCTION

Huge population having average income, young and talented generation with technical knowledge, cheap internet facilities, great government schemes have worked as solid motivators for initiating startup revolution in India. Startup is to be known as a new business that is in its initial stage of operations, ready to take the speed at a pace of sufficient growth. A well designed model which is well equipped with young and energetic entrepreneurship, technological knowhow and innovation ready to create the demand of a new product or an idea by converting it into a commercial undertaking. It can be well defined as a scalable business model based on sufficient potential of employment creation or wealth generation. One more thing to keep in

mind that it is not such entity that is formed by splitting up, or reconstruction, of a business already in existence.

Startups have showed a phenomenal growth even during the COVID-19 pandemic in India. The growth of startups in India has happened because of availability of skilled labour at low-cost, favorable attitude of investors, and various other opportunities. Not only big capitalists, other institutional investors and pension funds are also showing interest in investing in such new ideas.

II. HISTORICAL BACKGROUND

Startup India is an initiative of the Government of India. The event was inaugurated on 16 January 2016 by The

Former Finance Minister of India [Arun Jaitley](#). Among the attendees were CEOs, startup founders and venture capitalists. In a developing nation like India, the government should implement bright plans by encouraging such environment in the whole country by throwing balanced growth opportunities. 'January 16' was announced by Indian Prime Minister as 'National Start-up Day'. The **Reserve Bank of India** also ensured to take sufficient steps to make the environment friendly for business growth and create an ecosystem that is more suitable for these startups. 48 startups were awarded by Hon'ble PM on the occasion of first National startup day to motivate them. Some of the key points of this campaign are as follows:

- **Funding pool** of 10,000 crore Rupees
- **Patent registration** fees was decreased ;
- **Bankruptcy Code** was improved in order to provide a 90-day exit window;
- First 3 years of operations free from **inspections and Capital Gain Tax**;
- **Self-certification** compliance.
- New schemes to provide **IPR protection** ;
- **Startup Oasis** was constructed as **Rajasthan Incubation Center**.

III. ROLE OF CENTRAL GOVERNMENT IN PROMOTING STARTUPS

Government of India has initiated various efforts in order to make this dream of self-reliance into a reality. Combined efforts of state and central government are showing and growing the entrepreneurial culture in the country in the form of infrastructure, funding facilities etc. Various initiatives to support startups by introducing various schemes are as follows:

1. **'Make in India' campaign** was started in Sep. 14 to improve FDI and to encourage domestic companies to participate in the manufacturing sector by increasing the limits for various sectors and to make the nation the best destination for startups;
2. **'Standup India'** in 2016 aiming at encouraging women entrepreneurship and SC and ST communities with funding facilities available by banks;
3. **'Digital India'** initiated in 2015 to provide online platform to connect rural areas by developing their digital facilities so that the capability to convert huge business opportunity into a successful commercial undertaking could be used.

4. **'Research Parks'** establishment in association with higher education for which a plan was announced by The Union Ministry of Human Resource Development with an initial investment of Rs.100 crore aiming at providing students the required funds and guidance.
5. **SETU Fund** (Self-Employment and Talent Utilization) set up by the government and allotted Rs 1,000 crore in order to create opportunities for self-employment and new jobs mainly in technology-driven domains
6. **MUDRA Yojna** in order to sort out the issue of finance to start or run a business. Through this scheme, we can easily get loans from the banks to set up, grow and stabilize our business without being asked for big collaterals by the banks and avoiding the problem of sustainability;
7. **Atal Innovation Mission (AIM)** , a platform launched in 2015 to boost new ideas involving academics, entrepreneurs and researchers;
8. **E-Biz Portal** launched by Government involving 14 regulatory permissions and licenses at one source to ease problems regarding clearances in establishing a business.

State wise Scenario of startups:

Different states have established business incubation centers, Technological parks and hubs to support startup eco-system. Some of these are as follows:

Kerala - A government startup nodal agency called Kerala Startup Mission (KSUM) supporting startup ecosystem through Infrastructure, Human Capital Development, Funding, Governance etc.

Telangana - established exclusive women's incubator WE HUB, the Telangana Innovation Fund and the government mentor program (GMP) to bridge the gap between states and startups.

Andhra Pradesh – Established a 17,000-sq.ft. Technological Research and Innovation Park developed as a Research and Development laboratory and a fund called Initial Innovation Fund of ₹100 crore (US\$13 million) for entrepreneurs.

Madhya Pradesh -Collaborated with the SIDBI to create a fund of ₹200 crore (US\$25 million).

Rajasthan - launched India's largest business incubation center - Bhamashah Techno Hub.

Odisha- Organized a two-day Start-up Conclave in Bhubaneswar on 28 November 2016.

Kerala- Constructed the Technology Innovation Zone (13-acre Startup Campus) having multiple sector incubators and accelerators .

On the basis of above initiatives , the very first state ranking was announced in December 2018 by the Department of Industry and Internal Trade based on various parameters like incubation hubs, innovative techniques, method of measuring innovation, procurement, communication etc.

The 2018 Startup State Rankings are:

- Best performer state: Gujarat
- Top performer state: Karnataka, Kerala, Odisha, and Rajasthan
- Leader states: Andhra Pradesh, Bihar, Chhattisgarh, and Telangana
- Aspiring leader states: Haryana, Himachal Pradesh, Jharkhand, Uttar Pradesh, and West Bengal
- Emerging states: Assam, Delhi, Goa, Jammu and Kashmir, Maharashtra, Punjab, Tamil Nadu, and Uttarakhand
- Beginner states: Chandigarh, Manipur, Mizoram, Nagaland, Puducherry, Sikkim, and Tripura

2nd edition of States' Startup Ranking was announced by Shri Piyush Goyal, Hon'ble Minister of Railways and Commerce & Industry, on 11 September 2020, at an event held at the National Media Centre, New Delhi. Key glimpses of this event are as follows:

- **Best performer:** Gujarat, Andaman & Nicobar Island
- **Top performers:** Karnataka, Kerala
- **Leader:** Maharashtra, Odisha, Rajasthan, Bihar, Chandigarh
- **Aspiring leaders:** Telangana, Uttarakhand, Haryana, Jharkhand, Punjab, Nagaland
- **Emerging startup ecosystems:** Chhattisgarh, Himachal Pradesh, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Uttar Pradesh, Assam, Delhi, Mizoram, and Sikkim.

Well known Startups in India:

Many startups have been established in India in Education, Legal, Retail, Insurance and Health sector. No doubt, there are examples of various startups that were not successful due to some issues and challenges but in a high populated country like India there are various factors like the largest

concentration of youth population , mobile penetration because of the reduced data charges, Government of India's digital push and reducing the rules and regulations and tax burden on startups and providing these Tiny-Tots some exemptions having a set of new guidelines and policies and various dynamic schemes that boost large number of young people to take initiatives. Some of India's top startups have reached its heights incredibly over the years and are continuously to reach its peak are as follows:

- **PAYTM-** an Indian e-commerce website developed by Mr. Vijay Shekhar Sharma in 2010 allows its users to pay through online mode;
- **MBA CHAI VALA- FASTEST GROWING CHAI CAFE CHAIN** from serving a **relaxing cup of chai** to a mouth-watering Maska Bun, they do it all. Their vision is to see India as the Start-up capital of the world and to promote entrepreneurship in every part of India.
- **ZEPTO-** Founded in 2021, Zepto delivers orders within 10 minutes, closer to unicorn status, with a current valuation of \$900 million, having a wide selection of groceries, dairy products, and more.
- **CRED-** a platform founded in 2018 where we can get rewards after paying our credit card bills;
- **Vernacular.ai-** provides Speech recognition and Voice assistants as a service to the banking, Food and Beverage and Hospitality industries;
- **PharmEasy-** online pharmacy and medical store that provides services and facilitates in OTC products, diagnostic tests, and medical instruments;
- **SPINNY:** a marketplace, founded in 2015, for pre-owned cars aiming at making the process of buying and selling cars transparent and seamless.
- **GrowthSchool :** Founded in 2021, aims to help its students grow both personally and professionally.
- **Digit Insurance-** an insurance company founded in 2016 that simplifies the insurance services for everyone so that its view can change its picture among people;
- **Meesho-** a platform like Amazon or Flipcart that connects sellers with the buyers in an online marketplace and offers various marketing services to the sellers;
- **Groww-** a platform that helps its potential investors to invest in different securities;
- **Nykaa-** a virtual place that offers wellness and beauty products to buyers at reasonable prices;

- **Udaan**- A tech-based startup that provides B2B e-commerce solutions;
- **Dream11**- an attractive online fantasy sports platform currently using by more than 10 crore persons in India.
- **Swiggy**- The largest food delivery platform in India, helpful to satisfy our craving serving in 27 cities and has associated with more than 40,000 restaurants.

IV. CONCLUSION

Now the whole picture is in front of us. The startup businesses have been expanding continuously despite of various hurdles. The central and state governments are doing their best to reduce the obstacles by showing greater enthusiasm by introducing effective schemes like 'MAKE IN INDIA', 'STARTUP INDIA', 'MUDRA YOJNA', 'E-BIZ PORTAL' etc. Not only will this help in increasing the GDP from ground level to a respectable height. It can also lighten up the problem of brain drain by creating awareness among the young entrepreneurs and providing a suitable environment to help them taking out their hidden talent and utilizing it to run a business. Small baby steps can contribute to initiate the feeling of strong capability of doing a business and making them independent and creating the self-employment opportunities that can decrease the burden on medium and large scale industries. There may be some challenges from funding to skilled human resources and from establishing to sustaining the growth with tenacity in this process but we should not forget about the opportunities we may have in our path. Overall it is very important to mention here that these tiny startups can take the place of unicorns and may become world's renowned businesses and converting our developing and underdeveloped economies into strong developed nations.

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